

Carrard Consulting SA

To the holders of custody deposit
accounts at Banque Privée Espirito
Santo SA in liquidation

Lausanne, October 7, 2014

Banque Privée Espirito Santo SA in liquidation (BPES): Circular n° 2 to the Holders of Custody Deposit Accounts (Account Holders) from the Liquidator of BPES

Dear Madam, dear Sir,

We are providing to you the following information in connection with the ongoing bankruptcy proceedings against BPES.

1. Treatment of Securities and Other Assets Hold on Custody Deposit Accounts

a) In General

Securities and other valuables as defined in Article 16 of the Swiss Federal Act on Banks and Saving Banks (**BA**) (including intermediated securities as defined in the Swiss Federal Act on Intermediated Securities [**FISA**]) held by BPES in custody deposit accounts at the bankruptcy's date (**Securities** and, with reference to the custody deposit accounts in which they are held, **Securities Accounts**) are segregated from the bankruptcy assets, *i.e.*, the Securities are not part of the bankruptcy assets of BPES and are not subject to realisation in the course of the liquidation proceedings.

Cash amounts in connection with segregated Securities (in particular cash amounts paid out as interests, dividends, repayments of bond issued or, as the case may be, proceeds from the sale of Securities) received by BPES on behalf of Account Holders after the opening of the bankruptcy proceeding on September 19, 2014 at 8:00 am also constitute in principle segregated assets. Therefore, the Liquidator will also segregate those cash amounts to the benefit of the Account Holders to the extent that those amounts are able to be clearly identified in BPES' business records (*tracing*) as having been paid out in connection with segregated Securities and

unless the liquidator has valid reasons to deem that the purchase transaction may be set aside or challenged based on another ground.

Segregated Securities and cash amounts as defined in the preceding paragraph will be transferred to one or several accounts (for instance, a securities account for the transfer of the Securities and a current account for the transfer of the cash amounts) of the Account Holders at another custodian. To this end, the Account Holders must submit an executed original of the segregated securities transfer instruction form, available at www.liquidator-bpes.ch.

b) Time for Processing the Segregation

As there is a large number of Securities to be transferred and BPES only has limited operational capacities as a consequence of the ongoing liquidation proceedings, it is expected that the transfer of the segregated Securities and, as the case may be, cash amounts will take a long time. The liquidator and BPES' staff endeavour to perform the transfers as quickly as possible.

2. Sale of Segregated Securities

Swiss law only requires the Liquidator to transfer the segregated Securities to the custodian designated by the Account Holders. However, an Account Holder may wish that its Securities be sold by the Liquidator and the net cash proceeds from the sale of its segregated Securities (which would also be segregated), after deduction of the costs (see Section 4 « Costs » below), be then wired to an account opened at another custodian. Account Holders wishing so must fill in the (new) segregated Securities sale instruction form available at www.liquidator-bpes.ch then submit an executed original thereof to the Liquidator. However, there is no legal or statutory obligation for the Liquidator, and the Liquidator does not make any commitment to the Account Holders to proceed with the sale of their Securities. The Liquidator is entirely free to determine whether it should decline or accommodate the Account Holders' sale requests. In this respect, the Liquidator will particularly take into account the limited operational capacities of BPES resulting from the ongoing liquidation proceedings. In any case, all Account Holders must fill in the segregated securities transfer instruction form (see Section 1.a) above), even if they prefer the sale of their Securities and the transfer of the sales proceeds. Should the Liquidator determine in a specific case that the sale of Securities is possible and accommodate an Account Holder's request accordingly, the Liquidator will contact the Account Holder individually to clarify the scope and/or certain modalities of the sale of his/her/its Securities. The Liquidator does not assume any liability to the Account Holders for any damage, claim or cost in connection with, or arising out of, the sale of and/or the execution of the sale, including, but not limited to, the execution out of the usual processing times of the Securities.

3. No Management of Securities Accounts

All asset management contracts entered into between BPES and the Account Holders have been automatically terminated as a consequence of the opening of the bankruptcy proceedings (Article 405 para. 1 of the Swiss Code of Obligations [CO]). Without prejudice to the Liquidator's right to accommodate a request to sell the segregated Securities according to Section 2 above, the Liquidator will not perform any act relating to the management of assets and will not follow any instructions from the Account Holders in this regard. Should certain securities or financial products come to maturity or entitle the Account Holders to exercise a right (for instance, to choose between a cash settlement and a settlement in nature through reinvestment), the default rule as stipulated in the terms of the relevant securities or financial products will apply.

4. Costs

All usual costs incurred by BPES in connection with the segregated Securities, including any transfer costs or, as the case may be, any costs of sale, will be charged to the Account Holders. Unless those costs may be set-off against cash amounts available on the Account Holder's accounts, the Liquidator will foreclose on the Securities to the extent required to cover these costs; any excess proceeds from the realisation of the segregated Securities will be remitted to the Account Holders.

5. Security Interests

All Account Holders' requests to transfer or sell their Securities are expressly subject to any security interests in such assets.

Yours truly,

The Liquidator, Carrard Consulting SA